

FDD-PST

From: lfair@doe.k12.ga.us
Sent: Friday, April 28, 2000 3:34 PM
To: fdd-pst@fns.usda.gov
Subject: Comments - FD 2000

Mac Word 3.0

Attached are my comments on FD 2000.

(See attached file: USDAcomment.doc)

School Nutrition Program
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Madison County School System

May 1, 2000

FD2000 Project Coordinator
Food Distribution Division - FNS
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Dear Sir or Madam:

I am commenting about the USDA's Business Process Re-engineering. Most of the problems identified have not been experienced in our system. In 1992, a formal assessment of the commodity program (Child Nutrition Program Operations Study, Second Year 1992) found that 71% of SFA managers surveyed rated the commodity distribution program as excellent or very good. USDA did not reference this study when documenting a need for change. In reviewing the information, it appears that the proposal for change was developed with input from a small group of school systems. Furthermore, in 1989 a regulation was established for basic performance standards, which must be followed by SDAs for effective and efficient administration of Food Distribution Program (FDP) operations in each state. The SDAs of the disgruntled should be examined based on the 1989 regulation. Why subject the entire nation to change when there are a few that are dissatisfied? Enforce current regulations, then assess a need for change based on a true assessment.

Some of the changes have merit and be applied to the current FDP for improvement. However, other proposed changes will result in increased food costs at the SFA level, create food safety concern, interfere with the use of domestically-produced foods and appear to ignore federal regulations and procurement guidelines. Food safety is on going issue. SFAs are constantly being scrutinized on this area. This proposal would pose more problems surrounding the food safety issue and enhance the battle of the school food service opponents.

A formal program evaluation should have been performed before making drastic changes to the FDP. Changes should have nationwide customer input.

Comments on a few of the specific points in the proposal follow.

Please make the April 30 comments available for access nationwide. They should be tabulated, categorized by the 16 improvement actions, listed by what the comment actually said and published. These comments should be addressed nationwide.

Sincerely,

Laura Black Fair
SNP Director



1. Expand the use of long-term contracts

On the surface, this appears to be good. However, in reading the narrative of the February 14 USDA Proposal for Change several questions come to mind. It mentions there is the possibility of USDA transferring the storage problem to vendors. This would merely increase the cost to the end user – the school lunch program. Vendors will not store foods free of charge. I am opposed to implementing long-term contracts in a manner that would transfer the storage problem to vendors.

Furthermore, an Internet based ordering system is referenced here. What type of system is this? Commercial vendors have tried to implement direct order entry (DOE) with many of their customers. This has not been successful in most cases. How would this be implemented nationwide? Who will test this? When will this be tested? Who will pay the cost for hardware and software?

2. Test best-value contracting

3. Update product specifications

In some instance applying this to certain current product, specifications would improve the program. An example would be adopting the industry standard for pork products in 40-pound cases instead of the current 36-pound cases would not create a problem. However, changing other specifications would set the school lunch program back. Increasing the fat content of our beef products or changing fruit to heavy syrup would be a step backwards. Details of specific product specification changes should be made available for comment. School systems have too hard and long to implement the Healthy School Meal Initiative to have FDP cause further problems.

4. Allow vendors to use commercial labels

This would cause a world of problems at the local level and I vehemently disagree. How is one to identify and track the commodities, which is an OMB requirement? This would be a problem in the vendor's warehouse and the school kitchen. Will USDA get the Office of Management and Budget to change their requirements?

How does a school/system ensure that the full allotment of USDA foods has been received if they look like commercial foods? How does the distributor account for USDA foods? How can a school determine the amount and value of USDA foods used in a meal when they are indistinguishable from purchased? How would we ensure that foods of U.S. origin are being used? Distributors could very easily switch products. How will they person driving the forklift know the difference when loading a truck?

The narrative in the proposal states that "...the generic labels imply a lower quality." To whom is this implied? Why does USDA constantly refer to USDA commodities as *donated*? This implies a second hand or inferior product. The USDA commodities that have been used in our system are much better quality than purchased items. Products that are more commercial are involved in recalls than USDA commodities. Change the concept within USDA's own ranks.

5. Move toward national umbrella contracts with processors

6. Expand full substitutability of commodity product

This is a terrible concept. Processors purchase raw products that are most cost efficient for them. This would allow a great deal of foreign products to replace our domestic products such as beef from England, strawberries from Mexico, etc. This would lead to more questions concerning product safety. The current administration has placed emphasis on food safety. Where is the concern? Commercial products incur far more alerts, recalls and holds than the USDA commodities.

How will we know when the planned assistance level (PAL) has been received? How monitor the substitution of products?

7. Work with states to test the seamless commodity distribution concept

There seem to be numerous unanswered questions concerning this concept to form an opinion.

8. Facilitate the processing of commodities with limited demand

This is a good concept which could be applied to the existing FDP and greatly improve it. Consider using the products that students do not like in other programs areas such as congregate feeding, correction systems, etc.

9. Develop written hold and recall procedures

This is an excellent idea. Apply it to improve the existing FDP.

10. Reduce the duration of product holds at the school level

This is an excellent idea. Apply it to improve the existing FDP. Space is limited in our schools and products that cannot be used should be moved quickly.

11. Publish commodity recall reimbursement procedures.

This is an excellent idea. Apply it to improve the existing FDP.

12. Provide computer connectivity to the school district level

How can USDA possibly connect and maintain all 60,000 schools nationwide? Who will pay the cost? How will USDA ensure timely notification of problems? Currently our state knows which products have gone into a particular area and can notify those in a particular area first. Can USDA do this?

13. Provide a single USDA point of contact

14. Work with states and partners to pilot-test improvements

15. Other improvements: Facilitate use of 4/11 funds for commodity purchases; encourage cooperatives; and relax truckload requirements.

16. Streamline paperwork and reporting requirements

This is an excellent idea but in reality, with the other proposed changes, the opposite will be true. The details, which are missing from most of these proposals, will determine whether paperwork and reporting is streamlined or not.